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DDA 76-3462

14 July 1976

MEMORANDUM FOR: Legislative Counsel

FROM : Michael J. Malanick  
Associate Deputy Director for  
Administration

SUBJECT : CIA Relationship with GAO

1. In connection with the questions raised in OLC 76-1889, dated 7 July 1976, regarding the Agency's relationship with GAO, we are forwarding a copy of a study which was dated 12 January 1976, entitled "Report of Agency Task Force Review of GAO Audit Options." We believe that the recommendations made in this report, which was submitted by a Task Force consisting of representatives from each of the Directorates, the Office of General Counsel, the Office of Legislative Counsel, and the Comptroller's Office, as well as the Audit Staff, can be applied to the points you have raised. In short, the Task Force recommended that a panel be formed to implement and administer any arrangement for the resumption of GAO audit of Agency activities. Further, the Task Force suggested that the following principles apply:

"a. GAO personnel and reports must be subject to security limitations acceptable to the Agency. These are enumerated on page 8, paragraph III.E. of this report.

"b. That the Director seek to have a GAO audit limited to a Systems Audit, as defined and discussed on page 9, paragraph III.F.1. of this report.

"c. That if a 'full scope audit' by GAO is instituted, the Director exercise his authority under Section 8(b) of the CIA Act and his responsibility to protect intelligence sources and methods so that GAO would not be permitted:

"(1) External review or verification of certain activities (enumerated beginning on page 6, paragraph III.D.2.b.) which would compromise Agency activities, and

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"(2) Access to agent identities and certain highly critical operations personally certified by the DCI."

2. With one or two minor deviations, we believe these recommendations are in conformity with those which have been made by the Associate Deputy to the DCI for the Intelligence Community in his memorandum to you dated 13 July 1976, DCI/IC 76-1366.

/s/ Michael J. Malanick

Michael J. Malanick

Att

"Report of Agency Task Force  
Review of GAO Audit Options"  
dated 12 January 1976

Distribution:

Orig & 1 - Legislative Counsel w/att  
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ADDA:MJMalanick:kmg (14 Jul 76)

Background:

DDA 76-3368: Memo dtd 7 Jul 76 to IG, DDA, GC, Compt, ICS fr  
Acting LC, same subj

DDA 76-3451: Memo dtd 13 Jul 76 to LC fr AD/DCI/IC, same subj

DDA 76-0136: Memo dtd 12 Jan 76 to DCI fr DDA, subj: GAO Audit Options  
+ other related material

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## ROUTING AND RECORD SHEET

DDA (FYI) 14 JUL 1976

SUBJECT: (Optional)

CIA Relationship With GAO

*Noted by DD/A*

FROM:

Michael J. Malanick  
Associate Deputy Director for  
Administration

EXTENSION

NO. DDA 76-3462

DATE 14 July 1976

TO: (Officer designation, room number, and  
building)

DATE

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OFFICER'S  
INITIALSCOMMENTS (Number each comment to show from whom  
to whom. Draw a line across column after each comment.)1. James Taylor  
ComptrollerYou may want to consider  
this as a possible item for  
the EAG agenda sometime soon.

/s/ Michael J. Malanick

Michael J. Malanick  
Associate Deputy Director  
for  
Administration

DD/A Registry

File *Act-3-3*8. ADDA:MJMalanick:lm (14 Jul 76)  
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with GAO

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